



Financial Halo/MedXPrime Income Disclosure

With income disclosures, the FTC is very clear with their requirements. Whenever an income claim is made, regulators assume that the claim is deceptive unless the proper substantiation is provided. Their rationale is simple. When representing non-average earnings, i.e. big money that is only realized by few people, it's important to provide the prospects with average earnings so they can make informed decisions. It's not exactly fair because the average earnings are skewed downwards due to the low cost of entry and a complete lack of activity from most participants.

Whenever income is referenced, in whatever format, an Income Disclosure Statement (IDS) needs to be provided to the prospect. There are two key reasons referenced in nearly every complaint filed by regulators against companies: the main reason is lack of external sales. The other reason is grossly exaggerated income claims made by field leaders without proper substantiation. When a company creates discipline in its leaders to properly use income disclosure statements, it's a great hedge against a serious risk factor.

The IDS needs to be provided when income claims are made. Express income claims are claims that occur when various scenarios are provided i.e. "put 50 people in your business, earn X dollars." Implied income claims are usually the most common and occur when speakers reference lavish lifestyles, nice homes, cars and any form of success that can be achieved by way of the business. Whenever an income claim is made, ***a disclaimer needs to be provided in the same font or format as the statement that triggered it.*** As an example, if I say "Buy the home you've always wanted" in bold, larger than normal font, the disclaimer technically needs to be made in the exact same format. This is an unusual requirement passed by the FTC to apply pressure on companies to keep their income claims less conspicuous.

The Halo/Compensation Plan is an opportunity that rewards you for marketing products/services offered by the company's service providers and for sponsoring other participants who do the same. Although the opportunity is unlimited, individual results will vary depending on commitment levels and sales skills of each participant. The numbers below reflect estimates prepared by the company pending a more detailed survey to be conducted. Based on company projections, the average annual gross income for Associates is estimated to be anywhere between \$500 and \$2,000. There will be participants who will earn less while others will earn more.

If income projections were presented to you prior to your enrolment such projections are not necessarily representative of the income, if any, that you can or will earn through your participation in the Compensation Plan. These income projections should not be considered as guarantees or projections of your actual earnings or profits. Success with Halo results only from hard work, dedication, and leadership.

The income examples set forth in company's presentation are hypothetical and are intended to explain the concept and operation of the Compensation Plan. These hypothetical examples are not representative of the income, if any, that an Associate can or will earn through his or her participation in the Compensation Plan. These figures should not be considered as guarantees or projections of your actual earnings or profits. Any representation or guarantee of earnings, whether made by Halo or an Associate, would be misleading. Success with Halo results only from successful sales efforts, which require hard work, diligence, and leadership. Your success will depend upon how effectively you exercise these qualities.

Halo is not in control of any billings, reimbursements, reimbursement amounts, or the timing of reimbursements. These are controlled by the lab, the billing company, the federal government and insurance companies. The amount of reimbursements is very fluid in the medical laboratory services industry. We will continue to update any compensation changes as they are relayed to Financial Halo/MedXPrime.